

Northern Natural Gas & Transwestern
Bill Cordes
President

EC004391610

Northern Natural Gas Company Storage Monetization

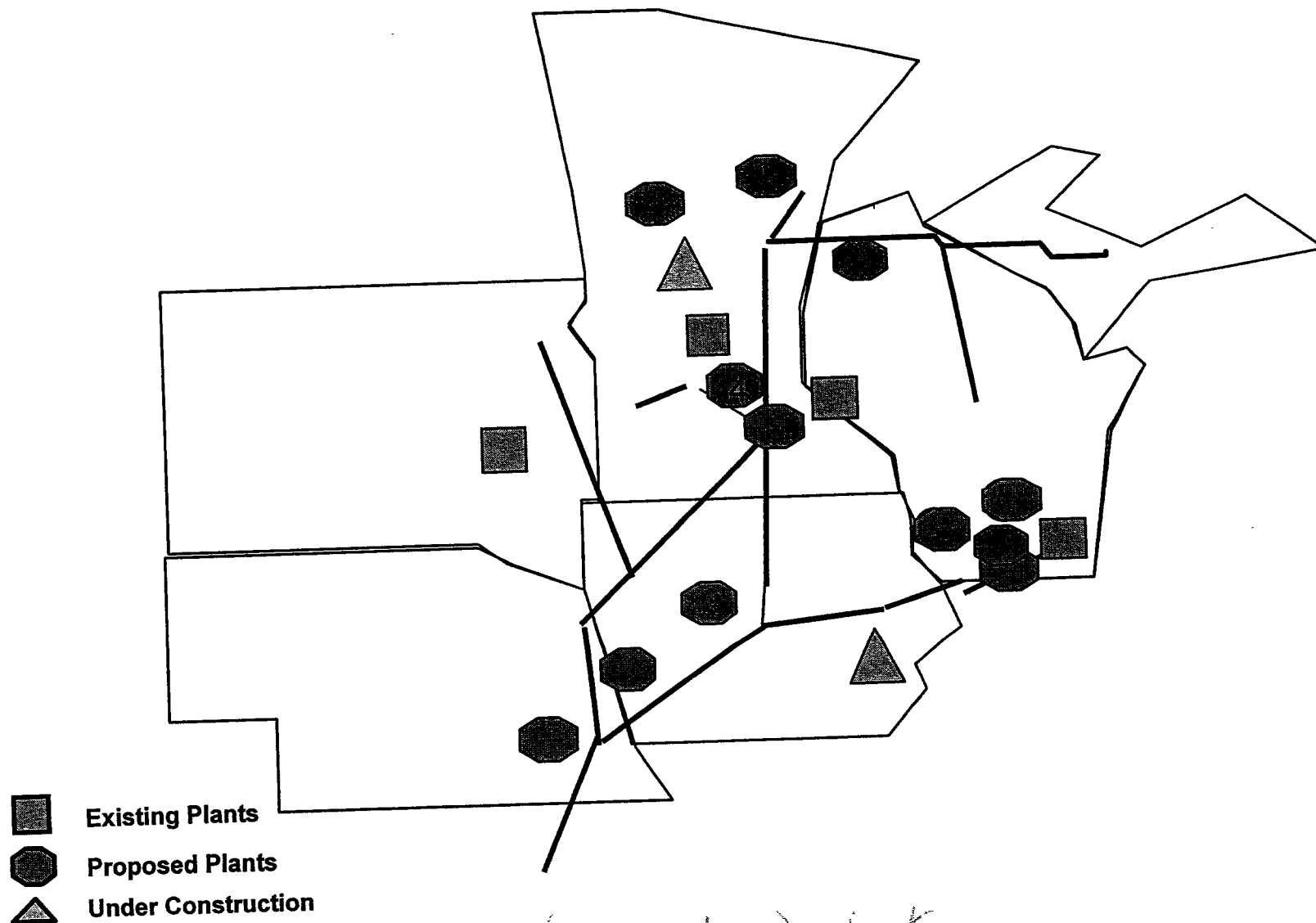
Unlocking the Value of Base Gas in Storage

- **Sold 12.2 Bcf @ \$4.20: Book Value \$0.74**
- **\$51.2 MM Revenue - \$34.7 Million Net Profit**
- **This arrangement monetizes 100% of Cunningham Storage Field Base Gas**
- **Purchase of a 3 year Gas Balancing Arrangement provides Service to Replace Base Gas Functionality**

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Northern Natural Gas Company Market Area Power Plants



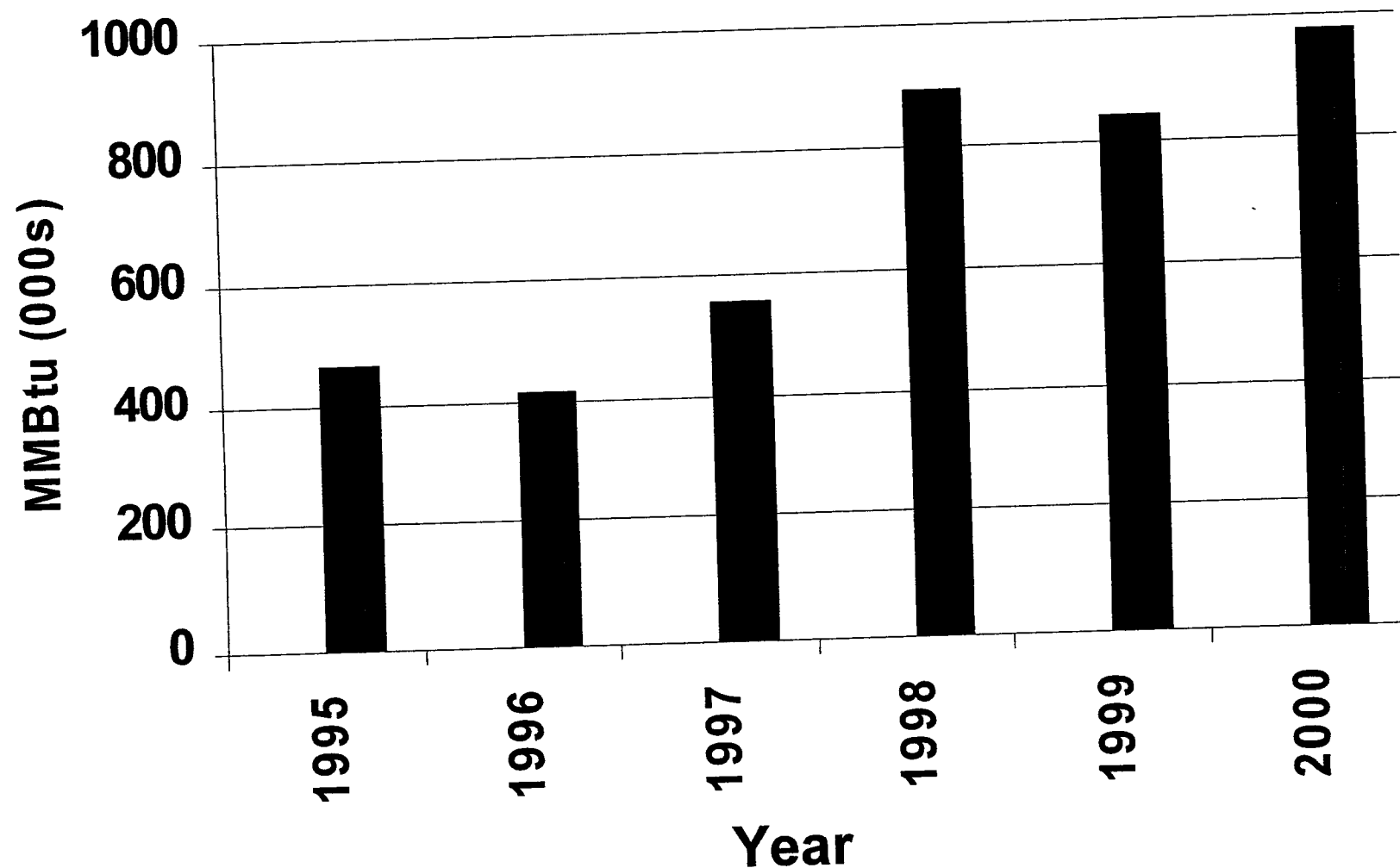
Primarily off-peak (summer time) plants
Team that work specifically w/ power plants



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Transwestern Pipeline Company

Average Throughput to California



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Transwestern Pipeline Company

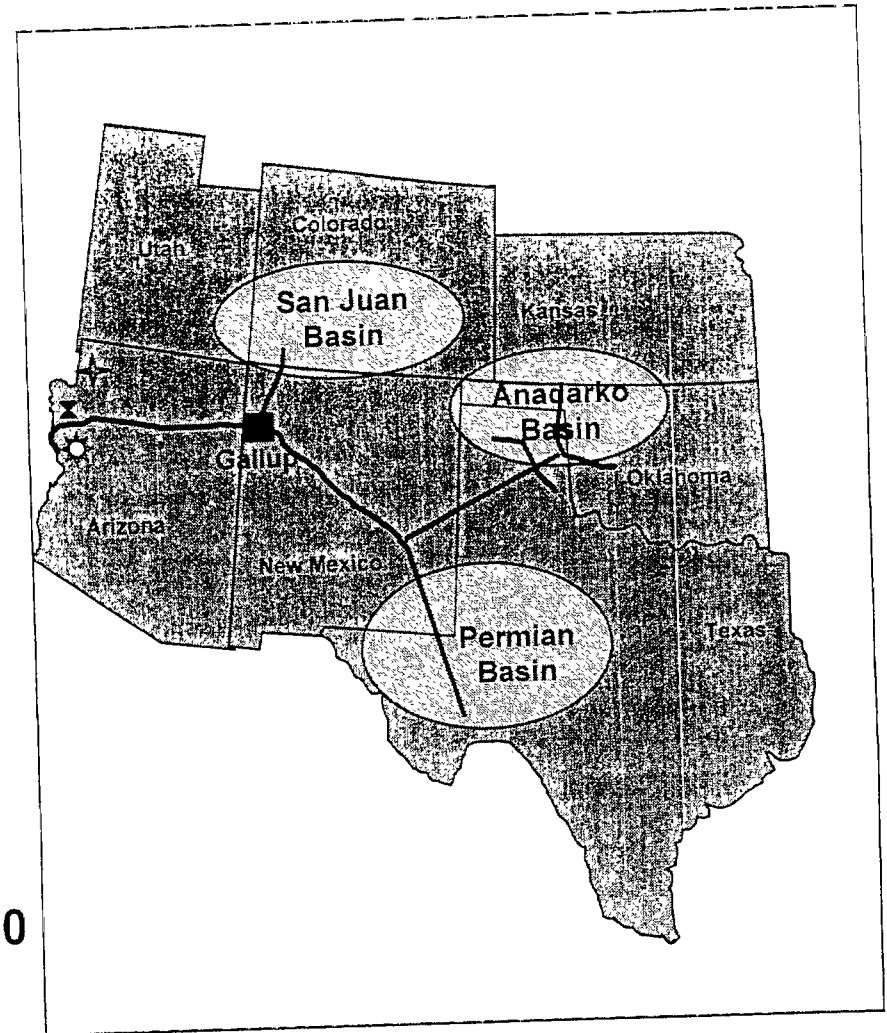
- Gallup Expansion

- 140,000 MMBtu/d to California
- In service - May 1, 2000

- New Interconnects

- Power plant markets East of California (In-service by 2nd Quarter 2001)

- ☀ Calpine 500 MW
- ⌘ Griffith Energy 650 MW
- ✦ Southwest Gas Interconnect
100,000 MMBtu/day
In-service by November 1, 2000

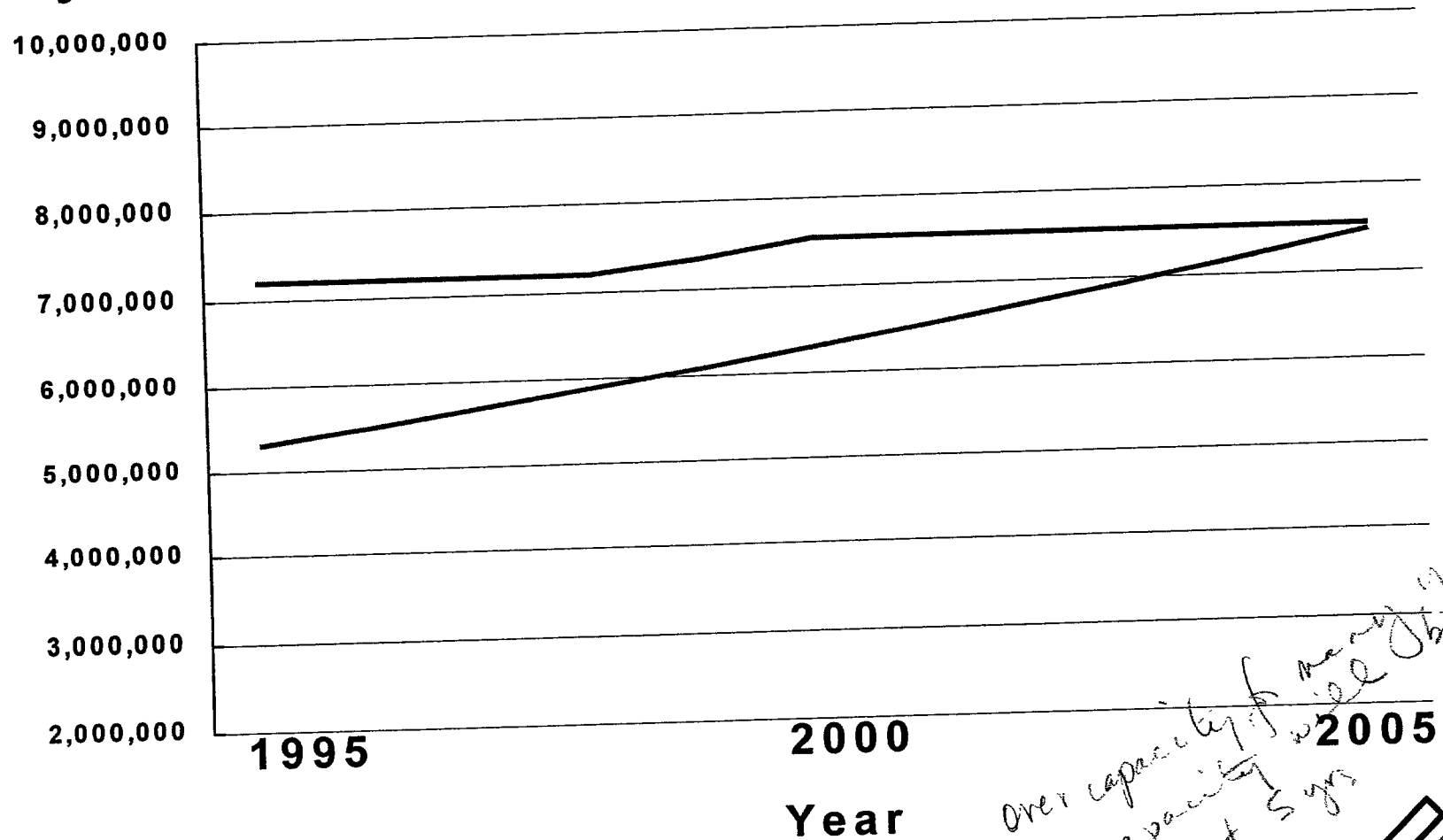


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California Natural Gas Capacity & Demand

Dth/day

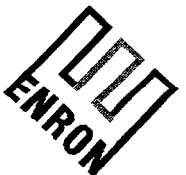


Capacity



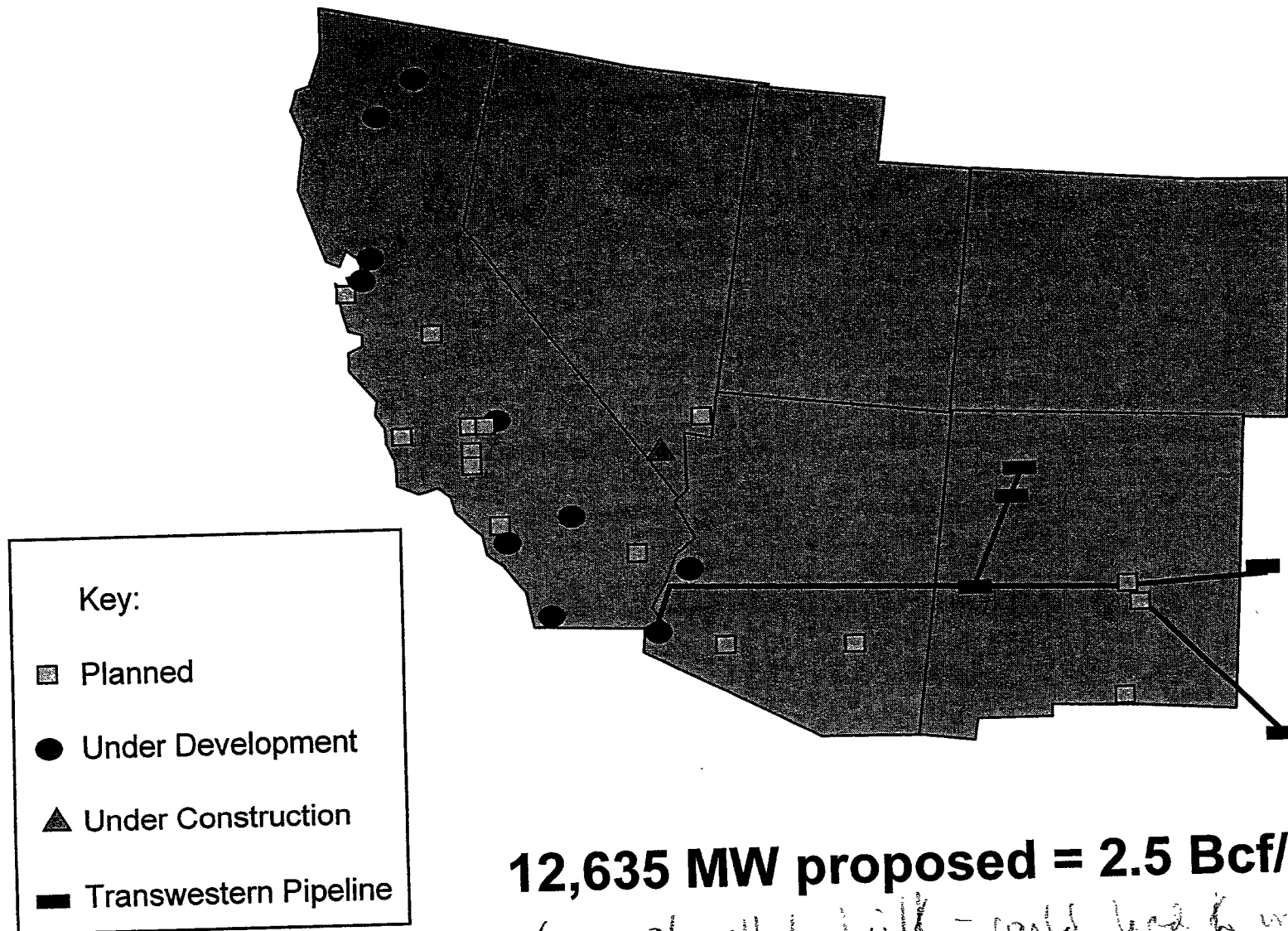
Demand

*over capacity of many years
new capacity will be needed
in the next 5 yrs*



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Transwestern Pipeline Company Proposed Power Plant Projects



12,635 MW proposed = 2.5 Bcf/d

*/ May 2/3 will be built - could lead to increased
throughput on (10)*



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Transwestern Pipeline Company

Mainline West Subscription

MMBTU/D

1,200,000

1,000,000

800,000

600,000

400,000

200,000

0

Aug-00

Feb-01

Aug-01

Feb-02

Aug-02

Feb-03

Aug-03

■ Expiring -
Unsubscribed

■ Subscribed

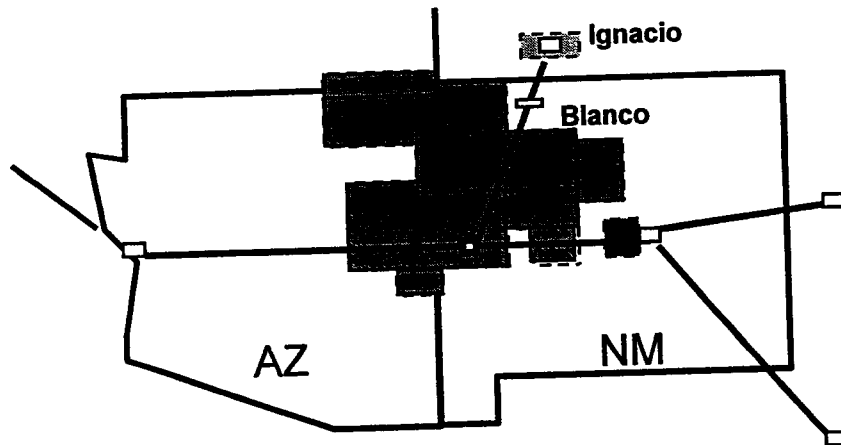
*Backward looking
not a prediction
of future
performance*

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Transwestern Pipeline Company

Navajo Right-of-Way



- ROW expires year-end 2003.
- Close to deal that finalizes ROW extension through 2009 for approximately \$29.1 million.
- Remaining issues are terms and conditions primarily Navajo sovereignty.

 Southern Utes - November 2000
- September 2005

 Laguna - December 2002

 Navajo - December 2003

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EnronOnline

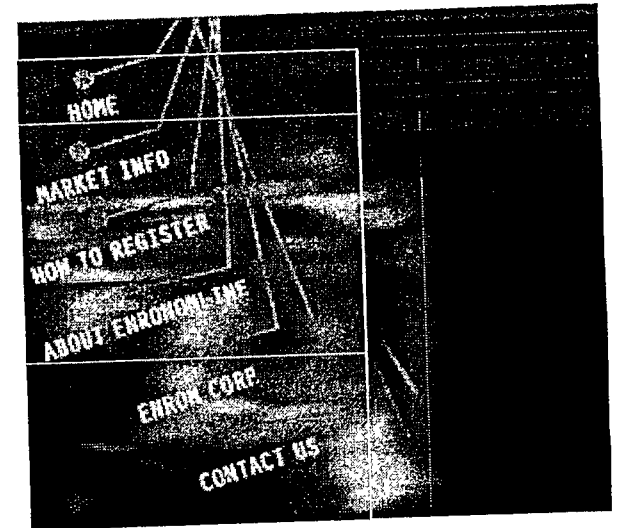


GPG E-COMMERCE

In July of this year, GPG was the first pipeline to offer Capacity Bidding using EnronOnline

Future offerings being considered include:

- Capacity Options Trading
- Storage Capacity Auctions
- Fuel Auctions
- Capacity Release Program
- Imbalance Trading



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